

FIELD WORK AUDIT PROGRAM AND RESULTS FILE

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APPROVED:

DATE:

("D" Represents Fieldwork Audit Objectives for Fire Inspection Billing System)

Bureau of Fire Prevention Division

Fire Inspection Billing System (FIBS)

OBJECTIVE:

TO ENSURE THAT FACILITIES ARE BEING INSPECTED IN AN EFFECTIVE, EFFICIENT, AND ECONOMICAL MANNER AND IN COMPLIANCE WITH FEDERAL, STATE, AND CITY RULES AND REGULATIONS.

To ensure that all facilities requiring a Bureau of Fire Prevention Permit are listed in the Fire Inspection Billing System (FIBS) database and that billings are accurate, complete and collected on a timely basis.

- All facilities that should be in the database are included;
- All the facilities listed in the database have the required and relevant information;
- The information for the facilities listed in the database is complete and accurate;
- All inspection and billing permit information entered into the database is entered accurately and on a timely basis.

D-1 *Verify and test the controls over the accuracy and completeness of the facility list compiled by the FIBS database. [T-1, T-2]*

D-1.1 Obtain and review the written procedures for adding and removing facilities from the inspection list, changing facility ownership (new business permittees) and for verifying expired permits. [C-1, C-2]

D-1.2 Document management's review of the process and assess the adequacy of both system and manual internal controls. [C-1, C-2]

D-1.3 On a test basis, verify compliance with procedures documented in audit steps D-1.1 and D-1.2 above. For any exceptions noted, verify that they are properly resolved to ensure that all valid facilities are entered into database.

D-1.4 Relative to audit steps D-1.1 and D-1.2 above, document how exceptions identified during the database updating process are identified and resolved. On a test basis verify that exceptions are properly resolved and that all valid facilities initially rejected are re-entered into the database.

D-1.5 To determine if the FIBS database is complete, on a sample basis:

- a) Compare the Multi-Housing database list to the Sewer Service database;
- b) Compare the updated Multi-Housing database to the FIBS database;
- c) Compare other relevant sources against the FIBS database. Sources should include but not be limited to the following:
 - The State, County, and City database for Child-Day Care facilities;
 - State of California's EPA "Unified programs" for the City of San Jose
 - Telephone directory

For any exceptions noted, verify that they are properly resolved to ensure that all valid facilities are entered into the data base. [C-1, C-2]

D-1.6 Visually inspect a limited sample of facilities listed in the FIBS database as exempt from future inspection (e.g. going out of business) to determine if classified correctly. [C-6]

D-1.7 Identify those facilities previously listed in the prior fiscal year database that are no longer included for the current fiscal year. On a random test basis perform the following:

- Verify propriety of removal
- Ascertain if the removal was properly authorized

D-2 *Verify and test the controls over the accuracy and completeness of inspection results compiled in the FIBS database.* [T-2]

D-2.1 Obtain and review the written procedures for entering inspection information and enforcement actions into the database. (Note the timeliness and completeness of data entry). [C-4]

D-2.2 Document management's review of the process and assess the adequacy of internal controls for both system and manual processes. [C- 4]

D-2.3 Randomly select 50 Record of Inspections (ROI) documents from Fiscal Year 2000 and compare the hard copy of ROIs to the database file noting differences in the following:

- Enforcement actions
- Inspections conducted
- Fees billed
- Date(s) of inspection. [C-17]

D-2.4 Identify all facilities that had an increase in the amounts billed from the prior to the current fiscal year. On a test basis, ascertain if the data input process was performed in such a manner as to prevent unnecessary delays in billing.

D-3 *Verify and test the controls over the accuracy, completeness and timeliness of the FIBS permit fee billing and collection process.* [T-3, T-4]

D-3.1 Obtain and review the written documentation over the FIBS billing function for all system and manual processes. [C-3]

D-3.2 Document management's review of the process and assess the adequacy of both system and internal controls. [C-3]

D-3.3 On test basis, verify compliance with procedures documented in audit step D-3.1.

D-3.4 Obtain the most recent list of authorized users in the FIBS system. Verify that the list is updated on a periodic basis and review for proper level of access given the employee's duties.

D-3.5 Obtain the current master listing of approved permit fees and verify that they are properly reflected in the FIBS system. [C-4]

D-3.6 Review and document controls over the third-party vendor's invoice generation process. Include a review of the third-party vendor selection process and ascertain if management is satisfied with the overall performance of the current vendor. [C-5]

D-3.7 On a test basis, verify that the billing information transmitted to the third-party vendor is complete, accurate and received on a timely basis. [C-5]

D-3.8 Select a sample of paid invoices and test for billing accuracy and completeness. Additionally review for timeliness of billing and collection effort. Include in the sample a representative number for each billing fee category, if practicable.

D-3.9 On test basis, select project numbers from the DARS database and trace to the applicable accounts receivable records to verify payment.

D-3.10 Obtain the Accounts Receivable Aging reports for the periods ending 06/30/00 through 12/31/00 and review the aging summaries for trends in collection activity.

D-3.11 Obtain the most recent aged accounts receivable report. Review and document collection procedures for delinquent accounts. Consider randomly selecting accounts that are 60 days or more past due. Review the status of selected accounts with appropriate personnel.

D-4 *Summarize sub-objective results:*

- Document overall assessment and/or conclusion;
Audit issues and/or findings; If information comes to auditor's attention indicating that abuse or illegal acts may have occurred, the Auditor-in Charge will immediately notify the City Auditor and the Supervising Auditor. Audit steps will be extended as necessary and the auditor should determine the extent to which these acts significantly affect the audit results.
(Audit standards FWS 3A and 3B).